

REPUBLIC OF ALBANIA

MINISTRY OF ECONOMY

INVITATION FOR EXPRESSION OF INTEREST IN THE ACQUISITION OF ORDINARY SHARES OF ARMO SH.A.

The Ministry of Economy of the Republic of Albania - according to Law 8306, dated 14.3.1998 *“On the privatization strategy of primary importance sectors*, to Law 9117, dated 24.7.2003 *“On the definition of form and structure of privatization formula of the joint stock company "Armo sh.a.* to the Decision of the Council of Ministers no. 329 dated 12.7.1999 *“ On the tendering procedures for the selection of the strategic investors and the transfer of the shares owned by the State in commercial companies of primary importance sectors”*, to the Decision of the Council of Ministers no.420, date 2.7.2004*“ On the selection criteria of the strategic investors interested in purchasing the shares of Armo Sha,* and to the Decision of the Council of Ministers no. 426, dare 2.7.2004 *“On the criteria for evaluation of the offers for Armo Sh.a `s privatization”*, - has approved the commencement of the procedure for the sale of the majority of the shareholding held in the share capital of Armo Sh.a (hereinafter referred to also as "Armo" or the "Company"), and consequently invites to submit expression of interest in the acquisition of Armo ordinary shares.

1. Armo Sh.A.

Armo is a joint-stock company incorporated under the Albanian law, whose shares are 100% held by the Ministry of Economy. The object of its activity is crude oil refining, delivery and marketing of refining products, according the legislation in force of the Republic of Albania, particularly the following:

- Refining of crude oil and gas;
- Wholesale of oil, gas and their byproducts;
- Retail of hydrocarbons for motor cars, by retail hydrocarbon selling stations, that are property of Armo, but are given on undertaking to private persons.

The share capital of Armo currently amounts to 5,309,933,000 leke, fully subscribed and paid-in, represented by no. 5,309,933 ordinary shares with a par value of 1 ,000 (one thousand) leke each.

2. Privatization process of Armo

The privatization of Armo will be carried out by the sale of not less 51% of the whole Armo share capital. The process will be carried out through an open international tender. Investors which will express their interest in the process will be invited to submit their offer in accordance to legislation on privatization of Armo.

3. Investors eligible to participate in the sale procedure of Armo shares

This announcement is addressed exclusively to potentially interested investors complying with the following preliminary requirements:

- being juridical person, that has financial guaranty, and to be known in economic activity in a certain sector, in accordance with ISO 9000 standards or standards integrated with them.
- having a fully paid-in capital up US\$ 51,000,000 or the equivalent amount in the currency in which the capital is denominated; the net worth and, if applicable, the consolidated net worth, shall be at least US\$ 133,000,000.

- being specialized company in the field of refining and marketing of oil, gas and their byproducts; to have operated in these activities for not less three years; in case of consortia or pools of investors, the leading member shall comply previous mentioned requests.
- parties which are in liquidation or subject to insolvency or overload debt, will not be admitted to the tender procedure
- in case of pool of companies, for to be introduce like only part for buying of the shares, the strategic investors will manage the pool control.
- the request must be endorsed with official certificates, issued by relevant authorities, or others documents, written, official.

4. Sale procedure: expression of interest.

Interested investors satisfying the requirements set out in paragraph 3 are invited to submit their expression of interest in writing and apply for a copy of the Information Memorandum about Armo specifically prepared for the sale procedure.

The letters (in English) containing the expression of interest shall refer to "Armo Privatization" and be sent - in time to be received within 18.00 h of Friday December 3rd 2004 (Albanian time) - to:

Republic of Albania
 Ministry of Economy
 Boulevard Zhan D'Ark, Tirana
www.minek.gov.al
 E-mail : privatizim_transparent@minek.gov.al
 Tel.: +355 4 364 633
 Fax: + 355 4 364 639

The following documents (with a translation into English, if the original is in a different language) shall be attached to any original of the letter:

- 1) the deed of incorporation and by-laws (or other equivalent legal documents) currently in force of the interested party;
- 2) the last non-consolidated and, where available, consolidated financial statements
- 3) the powers granted to the legal representative who has signed the letter;
- 4) a declaration (signed in original by the legal representative) that the interested party is not in liquidation or subject to any proceedings of insolvency, administration, receivership or other similar proceedings or any proceedings that imply a situation of insolvency or the interruption of business activities.

The expression of interest may be submitted jointly by two or more parties acting as consortium to the purposes of the acquisition (pool of investors), and by investors intending to implement the transaction through a company to be incorporated); in such cases, the documents accompanying the letter must relate separately to each of such parties, or to each shareholder of the relevant company. Moreover, it is intended that all the parties concerned shall be jointly and severally responsible for all the obligations arising from the future acquisition (if any) of Armo shares.

All expressions of interests should be submitted by the interested party directly. However brokers or agents of any kind are admitted, but must disclose the name of the investors they are representing; any failure to do so will render any such expression of interest inadmissible.

After the receipt of the expression of interest, the interested parties (meeting the requirements) will be supplied with a confidentiality agreement to be accepted; when the confidentiality agreement, duly signed, is sent back, the interested parties will be provided with the Information Memorandum about Armo and with a letter of invitation to submit a purchase offer, containing the related instructions and a description of the further steps of the sale procedure. The Ministry of

Economy of the Republic of Albania reserves the right not to provide any interested party with the Information Memorandum about Armo even if such party meets the requirements.

5. Miscellanea

The publication of this announcement the receipt of any expressions of interest do not constitute any obligation of, or undertaking by the Ministry of Economy of the Republic of Albania to sell any shares in Armo to any of the parties interested in the acquisition, nor shall it give rise to any claim or right of action by such parties for the performance of any action by the same Ministry, on any ground whatsoever. The Ministry of Economy of the Republic of Albania reserves the right, at its sole discretion and at any time to: (i) withdraw from the sale procedure, or (ii) to interrupt or modify it, or (iii) to exclude any interested party from the sale procedure without giving rise to any claim for compensation or damages whatsoever by the interested parties against the Ministry of Economy of the Republic of Albania.

Any data received shall be processed in compliance with the provisions of the law, so as to ensure the protection of the rights and privacy of the interested parties. In particular the data shall be processed exclusively for the purpose of ascertaining whether the parties satisfy the conditions for participating in the sale procedure of Armo shares and to ensure the proper conduct of the privatization process.

The distribution or publication of this invitation shall not constitute an offer or sale of Armo shares in any jurisdiction, and any such offer or sale at any time after the distribution or publication of this invitation may be subject to restrictions in certain jurisdiction.